

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 2981 - HB 3595

February 22, 2010

SUMMARY OF BILL: Removes “services” from the definition of “home solicitation sales” as it appears in the Tennessee Consumer Protection Act of 1977. Increases, from three to ten days, the period of time a buyer has to cancel a home solicitation sale. Requires that a third party be present and witness the signing of a sales agreement by a person aged 60 years or above. Requires that the third party read all information related to cancellation to the person aged 60 or above. Defines specific methods by which a buyer can provide cancellation notice to a seller. Requires the seller to provide a receipt and obtain signature on the receipt for sales where payment is made by cash, check, or credit card. Authorizes, upon cancellation, payment to the seller for goods provided up to the point of cancellation.

ESTIMATED FISCAL IMPACT:

**Increase State Revenue - Not Significant
Increase State Expenditures – Not Significant**

**Increase Local Revenue – Not Significant
Increase Local Expenditures – Not Significant**

Assumptions:

- Violations of the Tennessee Consumer Protection Act of 1977 are punishable through civil penalties, private rights of action, and as a Class B misdemeanor.
- A small increase in cases in the court system, which will result in additional state and local government expenditures for processing the cases and additional state and local government revenue from fees, taxes and costs collected. These expenditures and revenue are estimated to be not significant.

- According to the Department of Commerce and Insurance, any costs related to the investigation of consumer complaints can be accommodated within existing resources without an increased appropriation or reduced reversion.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

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